



DEPARTMENT OF THE ARMY
U.S. ARMY SECURITY ASSISTANCE COMMAND
5701 21ST STREET
FORT BELVOIR, VA 22060-5940

REPLY TO
ATTENTION OF

AMSAC-MP

27 MAR 2002

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Customer Requests for Special Payment Schedules
(USASAC 02-06)

1. Reference memorandum, Defense Security Cooperation Agency (DSCA), 19 September 2001, subject: Finance IPT Reinvention Policy Documents (DSCA 01-22).
2. This further explains Attachment 2, Payment Schedules Policy, Customer Request, of the above-referenced memorandum regarding customer-requested payment schedules.
3. The Major Subordinate Command (MSC) will first develop its own payment schedule (as if the customer never requested one of its own). Then this MSC will compare it with the customer-requested schedule. If the customer's schedule ensures that sufficient funds are on hand to cover the projected expenditures (the basis for the MSC's schedule), then the MSC can approve the customer's schedule. If the customer's schedule falls short at any point in time, the MSC should advise U.S. Army Security Assistance Command (USASAC) so that USASAC can alert the customer of this condition to see about altering the customer's schedule. Although we will try to accommodate the customer, there may be instances where the MSC and USASAC agree that using the customer-requested schedule is not feasible. In these instances, USASAC will inform the customer of this decision. Normal quarterly payment dates, i.e., 15 Mar, 15 Jun, etc., will also always be used for customer-requested schedules. Customer-requested schedules cannot be approved for cases which are entirely funded with FMS Credit (Non-repayable) financing (except for Israel and Egypt which have been granted an exception to policy); because, in these cases, the initial deposit must equal the case value.
4. When it is determined that the customer-requested schedule that deviates from the MSC's schedule is used, only the customer-requested schedule will appear on the LOA, except for certain Japan cases under their dual-payment, planned payment

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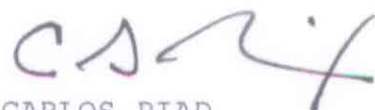
schedule concept. The MSC must save in the case folder a copy of the MSC-developed payment schedule that would have been used had the customer not requested a unique schedule.

5. Lastly, the MSC will type a note underneath the Estimated Payment Schedule to confirm usage of the customer-requested schedule (provide the customer's reference) and MSC approval (provide name of MSC and approval date). In addition, a second note to be placed underneath the schedule will be worded as follows: "The U.S. Government reserves the right to bill for additional amounts if, during the execution phase, actual costs materialize at a rate that cannot be supported by the customer-based schedule." That said, it is understood that USASAC will advise the FMS customer in advance of modifying the payment schedule to reflect a profile not based on the one the customer requested.

6. This guidance is effective immediately. The point of contact is Ms. Lynn Jones, AMSAC-MP, 703-806-2280 or DSN 656-2280, e-mail lynn.jones@usasac.army.mil.

7. USASAC -- Army's Face to the World.

FOR THE COMMANDER:



CARLOS PIAD
Director for
Policy and Procedures

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